

HOUSE BILL REPORT

SHJM 4032

As Passed House:

February 11, 2004

Brief Description: Urging Congress to fully restore funding for the manufacturing extension partnership program.

Sponsors: By House Committee on Trade & Economic Development (originally sponsored by Representatives Eickmeyer, Skinner, Pettigrew, Chase, McDonald, Kristiansen, McCoy, Wallace, Priest, Condotta, Blake, Clements, Conway, Anderson, Edwards, Morrell, Campbell, Upthegrove, Kenney, Kessler and Wood).

Brief History:

Committee Activity:

Trade & Economic Development: 1/27/04 [DPS].

Floor Activity:

Passed House: 2/11/04, 94-0.

Brief Summary of Substitute Bill

- Communicates to President George W. Bush, U.S. Commerce Secretary Donald L. Evans, the President of the U.S. Senate, the Speaker of the House, the U.S. Congress and the Washington state congressional delegation, that the Washington State Legislature wants the funding of the Manufacturing Extension Partnership program to be fully restored to the 2004 fiscal year appropriation.

HOUSE COMMITTEE ON TRADE & ECONOMIC DEVELOPMENT

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 12 members: Representatives Veloria, Chair; Eickmeyer, Vice Chair; Skinner, Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Blake, Chase, Condotta, Kristiansen, McCoy, Ormsby, Priest and Rodne.

Staff: Tracey Taylor (786-7196).

Background:

In 1989, the U.S. Congress created the Manufacturing Extension Partnership (MEP) in the U. S. Department of Commerce to foster manufacturing competitiveness. As a result, every state in the nation, as well as Puerto Rico, have created MEP centers. In Washington, the MEP center is Washington Manufacturing Services (WMS). The WMS is a private 501(c)(3) nonprofit organization that helps small manufacturers stay competitive. The MEP funding

model is one-third federal money, one-third state and local government funds, and one-third private fees and revenues.

The WMS can provide services related to lean manufacturing, industrial marketing, quality assurance, environmental impact reduction, safety, safe quality food, workforce training, energy, product development, assessment and benchmarking, industry network development, and best manufacturing practices.

Summary of Substitute Bill:

The joint memorial communicates to President George W. Bush, Secretary of the U.S. Department of Commerce Donald L. Evans, the President of the U.S. Senate, the Speaker of the House of Representatives, the U.S. Congress, and the Washington state congressional delegation, the state Legislature's desire that Congress fully restore funding for the MEP program in the fiscal year 2004 appropriation.

Appropriation: None.

Fiscal Note: Not requested.

Testimony For: Washington is losing manufacturing jobs. These are good wage jobs that create exports. The federal budget cuts the total funding for the MEP from \$106.6 million to \$39.6 million. The MEP is essential to any state manufacturing industry strategy, especially in assisting those smaller manufacturers who do not have an engineer on staff or are not of interest to large consulting firms. It is important to communicate the importance of the MEP to the President and Congress as supplemental budgets are being considered and the President's budget for 2005 is being prepared.

Testimony Against: None.

Persons Testifying: Representative Eickmeyer, prime sponsor; John Vicklund, Washington Manufacturing Services; and Sheila A. Martin, Executive Policy Advisor, Office of the Governor.

Persons Signed In To Testify But Not Testifying: None.